



FEDERAL ELECTION COMMISSION

WASHINGTON, D.C. 20463

August 12, 1999

Charles W. Carpenter, Treasurer
Bob Etheridge for Congress Committee
Post Office Box 28001
Raleigh, NC 27611

RE: MUR 4914

Dear Mr. Carpenter:

On August 5, 1999, the Federal Election Commission found that there is reason to believe Bob Etheridge for Congress Committee and you, as treasurer, violated 2 U.S.C. § 434(a)(6)(A), a provision of the Federal Election Campaign Act of 1971, as amended ("the Act"). The Factual and Legal Analysis, which formed a basis for the Commission's finding, is attached for your information.

You may submit any factual or legal materials that you believe are relevant to the Commission's consideration of this matter. Please submit such materials to the General Counsel's Office within 15 days of your receipt of this letter. Where appropriate, statements should be submitted under oath. In the absence of additional information, the Commission may find probable cause to believe that a violation has occurred and proceed with conciliation.

In order to expedite the resolution of this matter, the Commission has also decided to offer to enter into negotiations directed towards reaching a conciliation agreement in settlement of this matter prior to a finding of probable cause to believe. Enclosed is a conciliation agreement that the Commission has approved.

If you are interested in expediting the resolution of this matter by pursuing preprobable cause conciliation, and if you agree with the provisions of the enclosed agreement, please sign and return the agreement, along with the civil penalty, to the Commission. In light of the fact that conciliation negotiations, prior to a finding of probable cause to believe, are limited to a maximum of 30 days, you should respond to this notification as soon as possible.

Requests for extensions of time will not be routinely granted. Requests must be made in writing at least five days prior to the due date of the response and specific good cause must be demonstrated. In addition, the Office of the General Counsel ordinarily will not give extensions beyond 20 days.

If you intend to be represented by counsel in this matter, please advise the Commission by completing the enclosed form stating the name, address, and telephone number of such counsel, and authorizing such counsel to receive any notifications and other communications from the Commission.

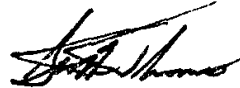
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Charles W. Carpenter, Treasurer
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This matter will remain confidential in accordance with 2 U.S.C. §§ 437g(a)(4)(B) and 437g(a)(12)(A), unless you notify the Commission in writing that you wish the investigation to be made public.

For your information, we have attached a brief description of the Commission's procedures for handling possible violations of the Act. If you have any questions, please contact Karen White, the staff member assigned to this matter, at (202) 694-1650.

Sincerely,



Scott E. Thomas
Chairman

Enclosures

Factual and Legal Analysis
Procedures
Designation of Counsel Form
Conciliation Agreement

cc: The Honorable Bob Etheridge

20.04.398.0237

**FEDERAL ELECTION COMMISSION
FACTUAL & LEGAL ANALYSIS**

RESPONDENTS: Bob Etheridge for Congress Committee and MUR: 4914
Charles W. Carpenter, as treasurer

This matter was generated based on information ascertained by the Federal Election Commission ("the Commission") in the normal course of carrying out its supervisory responsibilities. *See* 2 U.S.C. § 437g(a)(2).

The Federal Election Campaign Act of 1971, as amended ("the Act"), requires principal campaign committees of candidates for federal office to notify in writing either the Secretary of the Senate or the Commission, as appropriate, and the Secretary of State of the appropriate state, of each contribution totaling \$1,000 or more, received by any authorized committee of the candidate after the 20th day but more than 48 hours before any election. 2 U.S.C. § 434(a)(6)(A). The Act further requires notification to be made within 48 hours after the receipt of the contribution and to include the name of the candidate and office sought, the date of receipt, the amount of the contribution, and the identification of the contributor. *Id.* The notification of these contributions shall be in addition to all other reporting requirements. 2 U.S.C. § 434(a)(6)(B).

The General Election in the state of North Carolina was held on November 3, 1998. Pursuant to the Act, the Bob Etheridge for Congress Committee and Charles W. Carpenter, as treasurer ("the Committee"), were required to notify the Commission, in writing, of all contributions of \$1,000 or more received from October 15 to October 31, 1998, within 48 hours of their receipt. A review of the Committee's 1998 30 Day Post-General Report identified eighteen contributions received on October 23, 27 and 30,

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1998, of \$1,000 or more, totaling \$26,500, for which the Committee did not submit 48 Hour Notices.

On January 26, 1999, a Request for Additional Information ("RFAI") was sent to the Committee by the Reports Analysis Division ("RAD") based on RAD's review of the 30-Day Post General Report. The RFAI noted that the Committee may have failed to file one or more 48 Hour Notices.

By letter dated February 17, 1999, Andrea Bell, Finance Consultant to the Committee, responded to the RFAI. Ms. Bell stated in her letter that she had been hospitalized during the relevant period, but had trained a counterpart to file 48 hour reports in her absence. She acknowledged, however, that the Committee "evidently missed days of reporting." Ms. Bell made no reference to the Committee's treasurer in her response.

Therefore, there is reason to believe that Bob Etheridge for Congress Committee and Charles W. Carpenter, as treasurer, violated 2 U.S.C. § 434(a)(6)(A) by failing to report campaign contributions of \$1,000 or more, received after the 20th day, but more than 48 hours before the general election, within 48 hours of receipt of the contributions.

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